

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
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DIV. OF OIL, GAS & MINING

SMALL MINING OPERATIONS 2006 PROGRESS REPORT
January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: 5270055
2. Mine Name: Cudzhy Mine
3. Name of Operator/Permittee: Byron N. Ray

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: Millard County Utah Sec 3 T24S R9W
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 2 Tons, or yd³

Waste Material Moved Tons, or yd³

New Disturbance Acres during 2006

Area Reclaimed Acres during 2006

Total Disturbed Area 25 Acres*

Was the ore shipped off site? If not, where is the ore located? yes

Where is the waste located?

*Total life of mine disturbance to the end of 2006.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Byron N. Ray

Title of Operator: President / Director

Signature of Operator: Byron N. Ray

Date: 9 Feb 07